

CITY OF BRANSON, MISSOURI



Financial Statements and Independent Auditors' Report

**For The Period October 1, 2009
Through December 31, 2009**

CITY OF BRANSON, MISSOURI
Basic Financial Statements
For the Period October 1, 2009 through December 31, 2009

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report	1-2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	8
Statement of Net Assets – Proprietary Funds	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds	11
Statement of Fiduciary Net Assets – Fiduciary Funds	12
Notes to the Basic Financial Statements	13-37
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	38
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Tourism Fund	39
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Transportation Sales Tax Fund	40
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Convention Center Fund	41
Schedules of Funding Progress	42
Other Supplementary Information:	
Combining Financial Statements:	
Combining Balance Sheet – Non-major Governmental Funds	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	44
Combining Balance Sheet – Discretely Presented Component Unit - Tax Increment Financing Commission	45
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Discretely Presented Component Unit - Tax Increment Financing Commission	46



COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Aldermen
City of Branson, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Branson, Missouri (the City) as of and for the period October 1, 2009 through December 31, 2009, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the period October 31, 2009 through December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the City changed its fiscal year ending date from September 30th to December 31st.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
(913) 287-4433
(913) 287-0010 FAX

6700 Antioch Rd, Suite 460
Merriam, Kansas 66204
(913) 378-1100
(913) 378-1177 FAX

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
(816) 364-6144 FAX

The City has not presented management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

August 25, 2010

Cochran Hood Vick RLPc

CITY OF BRANSON, MISSOURI
Statement of Net Assets
December 31, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 19,345,358	\$ 4,591,703	\$ 23,937,061	\$ 1,166,188
Receivables, net:				
Taxes	3,725,392	-	3,725,392	-
Leases	77,829	208,914	286,743	-
Intergovernmental	-	-	-	1,483,381
Other	982,612	-	982,612	-
Water and sewer	-	758,445	758,445	-
Internal balances	(132,887)	132,887	-	-
Due from primary government	-	-	-	641,107
Prepays and inventories	196,790	-	196,790	-
Unamortized bond issue costs	817,602	-	817,602	3,792,178
Restricted cash and investments	9,388,168	226,116	9,614,284	22,468,952
Capital Assets:				
Land and construction in progress, non-depreciable	60,498,643	4,370,097	64,868,740	-
Other capital assets, net of depreciation	146,376,576	71,455,399	217,831,975	-
Total assets	241,276,083	81,743,561	323,019,644	29,551,806
Liabilities				
Accounts payable and accrued expenses	1,840,202	480,968	2,321,170	-
Accrued interest payable	869,359	20,305	889,664	1,143,372
Unearned revenue	292,465	-	292,465	252,999
Sales tax claims payable	900,000	-	900,000	-
Due to component unit	641,107	-	641,107	-
Customer deposits	-	732,573	732,573	-
Long-term liabilities:				
Due in one year	3,542,140	259,000	3,801,140	3,390,244
Due in more than one year	61,158,711	562,848	61,721,559	199,185,538
Total liabilities	69,243,984	2,055,694	71,299,678	203,972,153
Net Assets (Deficit)				
Invested in capital assets, net of related debt	143,296,459	75,205,496	218,501,955	-
Restricted for:				
Capital projects	-	-	-	912,561
Debt service	8,058,938	226,116	8,285,054	24,594,068
Tourism and transportation	8,318,716	-	8,318,716	-
Nonexpendable perpetual care	4,210	-	4,210	-
Unrestricted (deficit)	12,353,776	4,256,255	16,610,031	(199,926,976)
Total Net Assets	\$ 172,032,099	\$ 79,687,867	\$ 251,719,966	\$(174,420,347)

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Activities
For the Period October 1, 2009 through December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General government	\$ 1,099,451	\$ 609,234	\$ 281,152	\$ -	\$ (209,065)	\$ -	\$ (209,065)	\$ -
Public safety	1,666,178	6,967	4,230	-	(1,654,981)	-	(1,654,981)	-
Public works	2,581,663	-	-	-	(2,581,663)	-	(2,581,663)	-
Engineering	169,608	215	-	-	(169,393)	-	(169,393)	-
Community development	820,615	24,311	157,592	-	(638,712)	-	(638,712)	-
Culture and recreation	461,196	237,095	-	-	(224,101)	-	(224,101)	-
Convention center	1,874,863	1,063,837	-	-	(811,026)	-	(811,026)	-
Tourism	449,411	-	-	-	(449,411)	-	(449,411)	-
Interest on long-term debt	1,050,989	-	-	-	(1,050,989)	-	(1,050,989)	-
Total Governmental Activities	10,173,974	1,941,659	442,974	-	(7,789,341)	-	(7,789,341)	-
Business-Type Activities:								
Water and sewer	2,134,301	1,551,593	-	-	-	(582,708)	(582,708)	-
Total Business-Type Activities	2,134,301	1,551,593	-	-	-	(582,708)	(582,708)	-
Total Primary Government	\$ 12,308,275	\$ 3,493,252	\$ 442,974	\$ -	(7,789,341)	(582,708)	(8,372,049)	-
Component Unit:								
General government	3,270	-	-	-	-	-	-	(3,270)
Community development	157,592	-	626,701	-	-	-	-	469,109
Interest on long-term debt	2,715,840	-	-	-	-	-	-	(2,715,840)
Total Component Unit	\$ 2,876,702	\$ -	\$ 626,701	\$ -	-	-	-	(2,250,001)
General Revenues:								
Taxes:								
Property taxes					31,628	-	31,628	-
Sales taxes					2,578,877	-	2,578,877	305,468
Tourism taxes					3,114,989	-	3,114,989	731,851
Intergovernmental activity taxes					-	-	-	2,051,058
Other taxes					194,377	-	194,377	-
Unrestricted investment earnings					79,665	2,115	81,780	186,799
Total general revenues					5,999,536	2,115	6,001,651	3,275,176
Changes in net assets					(1,789,805)	(580,593)	(2,370,398)	1,025,175
Net assets (deficit) - beginning of period					173,821,904	80,268,460	254,090,364	(175,445,522)
Net assets (deficit) - end of period					\$ 172,032,099	\$ 79,687,867	\$ 251,719,966	\$ (174,420,347)

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2009

	General	Tourism Tax	Transportation Sales Tax	Convention Center	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and investments	\$ 6,181,026	\$ 6,808,057	\$ 480,174	\$ 282,356	\$ -	\$ 4,619,305	\$ 500,014	\$ 18,870,932
Receivables, net:								
Taxes	2,002,115	804,098	919,179	-	-	-	-	3,725,392
Leases	77,829	-	-	-	-	-	-	77,829
Other	3,450	-	-	729,533	-	249,629	-	982,612
Due from other funds	1,329,230	-	-	-	-	-	-	1,329,230
Restricted cash and investments	-	6,123,112	-	-	3,265,056	-	-	9,388,168
Prepays and inventories	72,754	-	-	124,036	-	-	-	196,790
Total assets	<u>\$ 9,666,404</u>	<u>\$ 13,735,267</u>	<u>\$ 1,399,353</u>	<u>\$ 1,135,925</u>	<u>\$ 3,265,056</u>	<u>\$ 4,868,934</u>	<u>\$ 500,014</u>	<u>\$ 34,570,953</u>
Liabilities								
Accounts payable	\$ 433,866	\$ 66,321	\$ 68,547	\$ 223,696	\$ -	\$ 256,750	\$ 23,844	\$ 1,073,024
Accrued expenditures	312,522	-	17,373	405,553	-	-	17,599	753,047
Deferred revenue	432,033	-	-	-	-	-	-	432,033
Sales tax claims payable	600,000	-	300,000	-	-	-	-	900,000
Due to component unit	400,556	55,645	184,906	-	-	-	-	641,107
Due to other funds	-	-	-	-	1,329,230	-	-	1,329,230
Total Liabilities	<u>2,178,977</u>	<u>121,966</u>	<u>570,826</u>	<u>629,249</u>	<u>1,329,230</u>	<u>256,750</u>	<u>41,443</u>	<u>5,128,441</u>
Fund Balances								
Reserved for:								
Encumbrances	303,696	59,664	8,807	-	-	518,098	15,381	905,646
Prepays and inventories	72,754	-	-	124,036	-	-	-	196,790
Debt service	-	6,123,112	-	-	1,935,826	-	-	8,058,938
Other purposes	-	-	-	-	-	-	4,210	4,210
Unreserved:								
Designated for:								
Contingencies and other	5,040,363	2,779,882	-	-	-	-	-	7,820,245
Undesignated, reported in:								
General fund	2,070,614	-	-	-	-	-	-	2,070,614
Special revenue fund	-	4,650,643	819,720	382,640	-	-	406,046	6,259,049
Capital projects fund	-	-	-	-	-	4,094,086	32,934	4,127,020
Total Fund Balances	<u>7,487,427</u>	<u>13,613,301</u>	<u>828,527</u>	<u>506,676</u>	<u>1,935,826</u>	<u>4,612,184</u>	<u>458,571</u>	<u>29,442,512</u>
Total liabilities and fund balances	<u>\$ 9,666,404</u>	<u>\$ 13,735,267</u>	<u>\$ 1,399,353</u>	<u>\$ 1,135,925</u>	<u>\$ 3,265,056</u>	<u>\$ 4,868,934</u>	<u>\$ 500,014</u>	<u>\$ 34,570,953</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Balance Sheet - Governmental
Funds to the Statement of Net Assets
December 31, 2009

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balances - total governmental funds	\$ 29,442,512
---	---------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Assets	206,875,219
---	-------------

Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements	139,568
---	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Bond issuance costs, net	817,602
Accrued interest payable	(869,359)
Long-term debt	(64,700,851)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service fund are reported with governmental activities in the statement of net assets. Internal service fund capital assets of \$1,904,187 are included above.	<u>327,408</u>
--	----------------

Total net assets of governmental activities	<u><u>\$ 172,032,099</u></u>
---	------------------------------

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Period October 1, 2009 through December 31, 2009

	General	Tourism Tax	Transportation Sales Tax	Convention Center	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	\$ 1,861,596	\$ 3,114,989	\$ 908,279	\$ -	\$ -	\$ -	\$ 22,941	\$ 5,907,805
Licenses and permits	47,456	-	-	-	-	-	-	47,456
Court fines	216,739	-	-	-	-	-	-	216,739
Lease and rent	252,512	-	-	-	-	-	-	252,512
Charges for services	209,100	-	-	1,063,837	-	-	230,843	1,503,780
Intergovernmental	4,230	-	-	-	-	-	-	4,230
Contributions from component unit	-	-	-	-	157,592	-	-	157,592
Interest income	3,210	12,427	-	-	64,028	-	-	79,665
Miscellaneous	293,440	-	-	-	-	-	6,252	299,692
Total revenues	<u>2,888,283</u>	<u>3,127,416</u>	<u>908,279</u>	<u>1,063,837</u>	<u>221,620</u>	<u>-</u>	<u>260,036</u>	<u>8,469,471</u>
Expenditures:								
Current:								
General government	1,001,858	-	-	-	-	-	-	1,001,858
Public safety	1,453,946	-	-	-	-	-	-	1,453,946
Public works	248,214	-	354,576	-	-	-	-	602,790
Engineering	150,932	-	-	-	-	-	-	150,932
Community development	172,585	-	-	-	626,701	-	-	799,286
Culture and recreation	-	-	-	-	-	-	329,770	329,770
Convention center	-	-	-	1,346,849	-	-	-	1,346,849
Tourism	-	507,211	-	-	-	-	-	507,211
Capital outlay	-	-	-	-	-	1,556,032	-	1,556,032
Debt service:								
Principal retirement	-	-	-	-	450,000	-	-	450,000
Interest and fiscal charges	-	1,940	-	-	1,039,313	-	-	1,041,253
Total expenditures	<u>3,027,535</u>	<u>509,151</u>	<u>354,576</u>	<u>1,346,849</u>	<u>2,116,014</u>	<u>1,556,032</u>	<u>329,770</u>	<u>9,239,927</u>
Excess of revenues over (under) expenditures	<u>(139,252)</u>	<u>2,618,265</u>	<u>553,703</u>	<u>(283,012)</u>	<u>(1,894,394)</u>	<u>(1,556,032)</u>	<u>(69,734)</u>	<u>(770,456)</u>
Other financing sources (uses):								
Transfers in	-	-	-	307,072	722,750	-	-	1,029,822
Transfers out	<u>(724,572)</u>	<u>-</u>	<u>(305,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,029,822)</u>
Total other financing sources (uses)	<u>(724,572)</u>	<u>-</u>	<u>(305,250)</u>	<u>307,072</u>	<u>722,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(863,824)	2,618,265	248,453	24,060	(1,171,644)	(1,556,032)	(69,734)	(770,456)
Fund balances - beginning of period	8,351,251	10,995,036	580,074	482,616	3,107,470	6,168,216	528,305	30,212,968
Fund balances - end of period	<u>\$ 7,487,427</u>	<u>\$ 13,613,301</u>	<u>\$ 828,527</u>	<u>\$ 506,676</u>	<u>\$ 1,935,826</u>	<u>\$ 4,612,184</u>	<u>\$ 458,571</u>	<u>\$ 29,442,512</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Period October 1, 2009 through December 31, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (770,456)
---	--------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlay	1,262,582
Depreciation expense	(2,692,717)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue	12,066
------------------	--------

The issuance of long-term debt (eg. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	450,000
Amortization of issuance costs, discounts and deferred amounts, net	(38,517)
Change in accrued interest payable	28,781

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued compensated absences	(62,898)
--	----------

Internal service funds are used by management to charge the costs of vehicles and equipment replacement to individual funds. The net revenue of certain activities of the Internal Service fund is reported with governmental activities. \$110,195 of depreciation related to internal service funds is included with depreciation above.

	21,354
Total changes in net assets of governmental activities	\$ (1,789,805)

CITY OF BRANSON, MISSOURI
Statement of Net Assets
Proprietary Funds
December 31, 2009

	<u>Enterprise Water and Sewer</u>	<u>Internal Service Equipment Replacement</u>
Assets		
Current assets:		
Cash and investments	\$ 4,591,703	\$ 474,426
Receivables (net of allowances for uncollectibles)		
Water and sewer billings	758,445	-
Leases and other	208,914	-
Total current assets	<u>5,559,062</u>	<u>474,426</u>
Noncurrent assets:		
Restricted cash and investments	226,116	-
Capital Assets:		
Land and improvements	4,370,097	14,131
Other capital assets, net of depreciation	71,455,399	1,890,056
Total capital assets	<u>75,825,496</u>	<u>1,904,187</u>
Total noncurrent assets	<u>76,051,612</u>	<u>1,904,187</u>
Total assets	<u>81,610,674</u>	<u>2,378,613</u>
Liabilities		
Current liabilities:		
Accounts payable	280,921	14,131
Accrued expenses	70,138	-
Accrued interest	20,305	-
Utility deposits	732,573	-
Other liabilities	129,909	-
Long-term liabilities due in one year	259,000	-
Total current liabilities	<u>1,492,846</u>	<u>14,131</u>
Noncurrent liabilities:		
Long-term liabilities	562,848	-
Total noncurrent liabilities	<u>562,848</u>	<u>-</u>
Total liabilities	<u>2,055,694</u>	<u>14,131</u>
Net Assets		
Invested in capital assets, net of related debt	75,205,496	1,904,187
Restricted - debt service	226,116	-
Unrestricted	4,123,368	460,295
Total net assets	<u>79,554,980</u>	<u>\$ 2,364,482</u>
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities	<u>132,887</u>	
Net assets of business-type activities	<u>\$ 79,687,867</u>	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Period October 1, 2009 through December 31, 2009

	<u>Enterprise Water and Sewer</u>	<u>Internal Service Equipment Replacement</u>
Operating revenues:		
Charges for services (pledged as security for revenue bonds):		
Water	\$ 591,865	\$ -
Sewer	860,760	-
Miscellaneous	5,148	-
Total operating revenues	<u>1,457,773</u>	<u>-</u>
Operating expenses:		
Personal services	660,590	-
Contractual services	395,728	-
Commodities	166,626	-
Depreciation	879,850	110,195
Total operating expenses	<u>2,102,794</u>	<u>110,195</u>
Operating income (loss)	<u>(645,021)</u>	<u>(110,195)</u>
Nonoperating revenues (expenses):		
Sewer capacity fees	93,820	-
Interest income	2,115	-
Interest expense	(10,153)	-
Total nonoperating revenues (expenses)	<u>85,782</u>	<u>-</u>
Income (loss)	(559,239)	(110,195)
Total net assets-beginning of period	<u>80,114,219</u>	<u>2,474,677</u>
Total net assets-end of period	<u>\$ 79,554,980</u>	<u>\$ 2,364,482</u>
Change in net assets	\$ (559,239)	
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities	<u>(21,354)</u>	
Change in net assets of business-type activities	<u>\$ (580,593)</u>	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the Period October 1, 2009 through December 31, 2009

	<u>Enterprise Water and Sewer</u>	<u>Internal Service Equipment Replacement</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,593,671	\$ -
Payments to suppliers	(597,045)	-
Payments to employees for services	(591,569)	-
Net cash provided by (used in) operating activities	<u>405,057</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(129,768)	-
Principal paid on capital debt	(21,000)	-
Sewer capacity fees	93,820	-
Net cash (used in) capital and related financing activities	<u>(56,948)</u>	<u>-</u>
Cash flows from investment activities:		
Interest and dividends	2,115	-
Net cash provided by (used in) investing activities	<u>2,115</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	350,224	-
Cash and cash equivalents, beginning of period	4,467,595	474,426
Cash and cash equivalents, end of period	<u>\$ 4,817,819</u>	<u>\$ 474,426</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (645,021)	\$ (110,195)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	879,850	110,195
Change in assets and liabilities:		
Receivables (net)	132,002	-
Accounts and other payables	(34,691)	-
Accrued expenses	69,021	-
Utility deposits	3,896	-
Net cash provided by (used in) operating activities	<u>\$ 405,057</u>	<u>\$ -</u>
Cash consists of :		
Cash and investments	\$ 4,591,703	\$ 474,426
Restricted cash and investments	226,116	-
	<u>\$ 4,817,819</u>	<u>\$ 474,426</u>
Noncash capital and related financing activities:		
Capital asset acquisitions	<u>\$ -</u>	<u>\$ 14,131</u>

CITY OF BRANSON, MISSOURI
Statement of Net Assets -
Fiduciary Funds
December 31, 2009

	Agency Fund Landscape Trust
Assets	
Cash and cash equivalents	\$ 976,508
Liabilities	
Due to others	\$ 976,508

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

1 - Summary of Significant Accounting Policies

The City of Branson, Missouri (the City) is a municipal corporation governed by an elected mayor and a six member Board of Aldermen. The City provides services to residents in many areas, including law enforcement, fire protection, water and sewer services, community enrichment and development, recreation and various social services.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The following is a summary of the more significant accounting and reporting policies and practices of the City.

The Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities for which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

This report includes the financial statements of the City (the primary government) and its component unit, the Tax Increment Financing Commission (the Commission). The Commission is considered to be a discretely presented component unit and is presented in a separate column on the government-wide financial statements to emphasize that it is a separate entity from the City. The City is financially accountable for the Commission because the City approves the Commission's annual budget.

The Commission is governed by an 11-member board, of which six members are appointed by the Board of Aldermen. The remaining five members (two from the county, two from the local school district and one from other taxing jurisdictions) are appointed by the respective taxing districts' boards. Financial transactions of the Commission are processed by the Finance Department of the City on the Commission's behalf. No separate financial statements are issued by the Commission.

Change in Fiscal Year End

The City has changed its financial reporting fiscal year end to December 31, 2009. Accordingly, these financial statements are for the period beginning October 1, 2009 through the period ended December 31, 2009. The City has previously issued financial statements for the year ended September 30, 2009.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency fund does not have a measurement focus, but does use the accrual basis of accounting to present its financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental fund revenues except property taxes for which a 60-day availability period is used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tourism taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are; however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City' therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

The City reports the following major funds:

Major Governmental Funds

General Fund – Is used to account for the general operations of the City and all unrestricted revenues and expenditures not required to be accounted for in other funds.

Tourism Tax Fund – is used to account for the proceeds of tourism tax requiring separate accounting because of legal or regulatory provisions.

Transportation Sales Tax Fund – is used to account for the proceeds of transportation sales tax requiring a separate accounting because of legal or regulatory provisions or administrative action.

Convention Center Fund – is used to account for the City's convention center activities.

Debt Service Fund – is used to account for the accumulation of resources for the payment of principal and interest on long-term debt other than the debt reported in the Component Unit.

Capital Projects Fund – is used to account for the acquisition, construction and renovation of major capital facilities.

Major Proprietary Funds

Water and Sewer Fund – accounts for the activities of the water distribution system, the sewage treatment plant and the sewage pumping stations and collection systems.

Additionally, the government reports the following fund types:

Internal Service Fund - accounts for fleet management services provided to other departments on a cost reimbursement basis.

Agency Funds - are used to account for activities not involving the measurement of results of operations because they are custodial in nature. The City's agency fund is used to account for landscape and tree deposits held by the City as an agent for property owners who have applied for building permits.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, producing, and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Cash and Investments

Cash and investments of the individual funds are combined to form a pool, which is managed by the Finance Department. Each fund's equity in the pool is included in "cash and investments" in the financial statements. Investment earnings, including interest income, are allocated to the funds required to accumulate interest. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund.

The investments consist of short-term money market mutual funds held in trust for debt service reserve requirements. The money market mutual funds are recorded at fair value.

Statement of Cash Flows

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables and Payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectibles. An allowance of \$353,929 is recorded at December 31, 2009.

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted Cash and Investments

The City's restricted cash and investments primarily consist of amounts required for future debt service payments and related debt reserves. The City is also statutorily required to maintain customer utility deposits separate from City assets.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The City capitalizes interest on the construction of business-type capital assets when material.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

The City's capital assets are depreciated using the straight-line method over the estimated useful life of the capital assets. The estimated useful lives are:

Water and sewer treatment plants	40 - 50 years
Water and sewer mains and lines	20 - 40 years
Equipment	5 - 10 years
Buildings and fixtures	30 - 40 years
Furniture	5 - 10 years
Infrastructure	10 - 40 years
Vehicles	2 - 7 years

Compensated Absences

City policies permit full-time employees to accumulate sick pay benefits and vacation time based on the number of years of service. Accumulated vacation payable is recorded when incurred in the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, a liability is reported only if it has matured, for example, as a result of employee resignations and retirements. One-half of accumulated sick leave is paid to employees upon leaving the City in good standing. This amount of sick leave is recorded in the government-wide and proprietary fund statements with the amount due within one year estimated based on past payouts. See Note 7 for the accumulated obligation for compensated absences.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance cost, are deferred and amortized over the life of the bonds using the effective interest and straight-line methods. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the accrual debt proceeds received, are reported as debt services expenditures. See Note 7 for information on the City's long-term obligations as well as for information on debt included within the City's discretely presented component unit.

Equity Classifications

In the government-wide statements, equity is shown as net assets and classified into three components:

- (1) Invested in capital assets, net of related debt – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net assets – consisting of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

- (3) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pending Governmental Accounting Standards Board Statements

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which the City will be required to implement in the fiscal year beginning January 1, 2011. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, as well as clarifying the definitions of the various governmental fund types.

Additionally, the GASB has issued the following statement which may impact the City's financial reporting requirements in the future:

- GASB Statement 59 – *Financial Instruments Omnibus*, effective for the fiscal year beginning January 1, 2011.

2 - Stewardship, Compliance and Accountability

Budgetary Information

Budgeting

Missouri statutes require that all political subdivisions of the State prepare an annual budget. Governmental funds required to have legally adopted annual budgets are the general fund, the special revenue funds, and the debt service fund. Legally adopted annual budgets are not required for the capital projects fund and the permanent fund. Annual budgets for all governmental funds are adopted using the modified accrual basis of accounting, modified further by the encumbrance method of accounting.

Budgeted expenditures cannot exceed budgeted revenues and unencumbered positive fund balances as required by Sanction 67.010 RSMo.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

3 - Deposits and Investments

As of December 31, 2009, the City's cash and investments consisted of the following:

	<u>2009</u>
Investments:	
Short-term investments held in trust	\$ 32,083,236
Deposits	26,055,787
Petty cash	<u>23,970</u>
 Total cash and investments	 <u><u>\$ 58,162,993</u></u>

Deposits and investments of the City are reflected in the financial statements as follows:

	<u>Government-wide statement of net assets</u>	<u>Fiduciary funds statement of net assets</u>	<u>Component Unit</u>	<u>Grand Total</u>
Cash and investments	\$ 23,937,061	\$ 976,508	\$ 1,166,188	\$ 26,079,757
Restricted cash and investments	<u>9,614,284</u>	<u>-</u>	<u>22,468,952</u>	<u>32,083,236</u>
	<u><u>\$ 33,551,345</u></u>	<u><u>\$ 976,508</u></u>	<u><u>\$ 23,635,140</u></u>	<u><u>\$ 58,162,993</u></u>

Investment Policy:

Missouri State Statutes authorize the City to deposit funds in open accounts and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by State Statutes and approved by the State.

The City maintains a cash and investment pool, which is available for use by most funds. Each fund type's portion of this pool is displayed as "cash and investments". Interest earned is retained by the General Fund, unless required to be maintained separately. All investments are carried at fair value. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

Interest Rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At December 31, 2009, all of the City's investments were short-term money market mutual funds held in trust with maturities of less than one year.

Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. Missouri statutes prohibit municipalities from investing in derivative, leveraged, or speculative securities. City Resolution No. 2004-RO12 further limits the City's investments in securities to U.S. Treasury obligations. At December 31, 2009, all of the City's investments were short-term money market mutual funds held in trust which are not subject to such risks.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. At December 31, 2009, all of the City's investments were short-term money market mutual funds held in trust which are not subject to such risks.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize demand deposits with securities held by the financial institution's agent and in the City's name.

At December 31, 2009, the City had deposits related to the City's Convention Center held by the third party management company totaling \$53,013 that were in excess of Federal depository insurance and that were not collateralized. All other City deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held in the City's name by their financial institution's agent.

4 - Taxes

Taxes receivable as of December 31, 2009 were as follows:

	<u>Property Tax</u>	<u>City Sales Tax</u>	<u>Tourism Tax</u>	<u>Total</u>
Fund:				
General	\$ 158,182	\$ 1,843,933	\$ -	\$ 2,002,115
Tourism Tax	-	-	804,098	804,098
Transportation Sales Tax	-	919,179	-	919,179
Total	<u>\$ 158,182</u>	<u>\$ 2,763,112</u>	<u>\$ 804,098</u>	<u>\$ 3,725,392</u>

Net tax revenues for the period October 1, 2009 through December 31, 2009 was as follows:

	<u>Property Tax</u>	<u>City Sales Tax</u>	<u>Tourism Tax</u>	<u>Franchise Tax</u>	<u>Other Taxes</u>	<u>Total</u>
Major governmental funds:						
General	\$ 17,683	\$ 1,670,598	\$ -	\$ 173,315	\$ -	\$ 1,861,596
Tourism Tax	-	-	3,114,989	-	-	3,114,989
Transportation Sales Tax	-	849,298	-	-	58,981	908,279
Nonmajor funds	-	-	-	-	22,941	22,941
Total	<u>\$ 17,683</u>	<u>\$ 2,519,896</u>	<u>\$ 3,114,989</u>	<u>\$ 173,315</u>	<u>\$ 81,922</u>	<u>\$ 5,907,805</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Sales Tax Claims Payable

A petition for review of a decision of the Administrative Hearing Commission regarding certain sales tax "resale" exemptions and certain refund claims requested by Music City Centre Management, LLC versus the Director of Revenue was ruled upon by the Supreme Court of Missouri (Case No. SC89547). The Supreme Court's ruling both affirmed significant portions and reversed other portions of the Administrative Hearing Commission decision that certain sales qualified for the "resale" exemption and the Music City Centre Management, LLC was entitled to a refund claim for certain taxes paid. City management has determined that other entities may file claims as a result of the above ruling and has recorded an estimated sale tax claims payable obligation totaling \$900,000.

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property in the City. Assessed values are established by the Taney County Assessors Office. The assessed values at January 1, 2008, upon which the 2008 levy was based and upon which the ad valorem tax revenues for the period ended December 31, 2009 are recorded, are as follows:

Real estate	\$ 390,252,437
Personal property and business personal	<u>59,963,492</u>
	<u><u>\$ 450,215,929</u></u>

Property taxes are due and payable on November 1 and become delinquent on January 1.

The 2008 tax levy per \$ 100 assessed valuation was:

General	\$ 0.5155
---------	-----------

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

5 - Capital Assets

Capital asset activity for the period October 1, 2009 through December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 50,662,006	\$ 1,014,011	\$ -	\$ 51,676,017
Construction in progress	8,568,389	264,237	10,000	8,822,626
Total Capital assets not being depreciated	59,230,395	1,278,248	10,000	60,498,643
Capital Assets being depreciated:				
Buildings and fixtures	76,146,317	-	-	76,146,317
Equipment	10,610,340	10,000	15,384	10,604,956
Vehicles	1,147,696	-	-	1,147,696
Infrastructure	158,285,976	-	2,812	158,283,164
Furniture	2,954,716	-	-	2,954,716
Land improvements	2,277,756	-	-	2,277,756
Total capital assets being depreciated	251,422,801	10,000	18,196	251,414,605
Less accumulated depreciation for:				
Buildings and fixtures	9,567,515	636,357	-	10,203,872
Equipment	5,886,801	263,185	15,384	6,134,602
Vehicles	856,462	11,413	-	867,875
Infrastructure	84,219,832	1,686,143	1,277	85,904,698
Furniture	628,918	71,493	-	700,411
Land improvements	1,202,445	24,126	-	1,226,571
Total accumulated depreciation	102,361,973	2,692,717	16,661	105,038,029
Total capital assets being depreciated, net	149,060,828	(2,682,717)	1,535	146,376,576
Governmental activities capital assets, net	\$ 208,291,223	\$ (1,404,469)	\$ 11,535	\$ 206,875,219

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 3,784,962	\$ -	\$ -	\$ 3,784,962
Construction in progress	518,131	119,075	52,071	585,135
Total Capital assets not being depreciated	<u>4,303,093</u>	<u>119,075</u>	<u>52,071</u>	<u>4,370,097</u>
Capital Assets being depreciated:				
Water and sewer treatment plants	70,012,844	-	-	70,012,844
Water and sewer mains and lines	45,360,233	54,881	-	45,415,114
Machinery and equipment	2,131,510	7,882	-	2,139,392
Total capital assets being depreciated	<u>117,504,587</u>	<u>62,763</u>	<u>-</u>	<u>117,567,350</u>
Less accumulated depreciation for:				
Water and sewer treatment plants	25,065,520	442,127	-	25,507,647
Water and sewer mains and lines	18,929,978	388,040	-	19,318,018
Machinery and equipment	1,236,603	49,683	-	1,286,286
Total accumulated depreciation	<u>45,232,101</u>	<u>879,850</u>	<u>-</u>	<u>46,111,951</u>
Total capital assets being depreciated, net	<u>72,272,486</u>	<u>(817,087)</u>	<u>-</u>	<u>71,455,399</u>
Business-type activities capital assets, net	<u>\$ 76,575,579</u>	<u>\$ (698,012)</u>	<u>\$ 52,071</u>	<u>\$ 75,825,496</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 77,655
Public safety	121,642
Public works	1,680,324
Engineering	14,079
Community Development	16,450
Culture and recreation	144,358
Convention center	528,014
Internal service	<u>110,195</u>
Total depreciation expense - governmental activities	<u>\$ 2,692,717</u>
Business-type activities:	
Water and sewer	<u>\$ 879,850</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

6 - Leases

Operating Leases

Non-cancellable operating revenue leases for City land expire in various years through 2034. These leases generally contain renewal options for periods ranging from five to thirty-five years and require the lessees to pay all executory cost (property taxes, maintenance and insurance). Lease income includes minimum rentals plus contingent rentals based on sales.

Future lease income on minimum rentals is approximately \$390,000 per year.

The cost of the capital assets the City leases is \$32,900, with accumulated depreciation of \$18,633, resulting in net carrying value of \$14,267 at December 31, 2009.

For the period ended December 31, 2009, lease income for all operating leases was approximately \$194,000.

Capital Lease

The City has a lease agreement as a lessor on City property. This lease agreement qualifies as a capital lease and has therefore been recorded at the present value of the future minimum lease payments as of the inception date. At December 31, 2009 the lease receivable balance was \$208,509.

Future minimum lease payments to be received are as follows:

2010	\$	13,906
2011		14,323
2012		14,753
2013		15,195
2014		15,651
2015-2019		85,588
2020-2022		<u>49,093</u>
Present value of minimum lease payments	\$	<u>208,509</u>

Branson Landing Lease – Branson Landing TIF Plan

The City and the Developer have entered into a 99 year master lease agreement related to the Branson Landing project. Under the agreement, commencing on January 2, 2010 and through year 30 of the agreement, a base and contingent rental lease payment is due to the City. The lease payment will consist of an annual base amount of \$252,000 plus a contingent lease payment of 1/4th of 1 percent of sales in excess of \$15 million within the defined boundary area. The total annual lease payments cannot exceed \$450,000. The City has determined that the amount of \$450,000 will be due at January 2, 2010.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

7 - Long-Term Obligations

Long-term obligation activity for the period October 1, 2009 through December 31, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
Revenue Bonds	\$ 25,284,000	\$ -	\$ -	\$ 25,284,000	\$ 2,462,000
Special Limited Obligation Bonds	39,255,000	-	450,000	38,805,000	465,000
Less deferred amounts:					
For issuance discounts	(87,720)	-	(1,494)	(86,226)	(5,841)
On refunding	(450,019)	-	(26,005)	(424,014)	(104,019)
Total bonds payable	64,001,261	-	422,501	63,578,760	2,817,140
Compensated absences **	973,053	272,345	209,447	1,035,951	725,000
Other post employment benefits	86,140	-	-	86,140	-
Governmental activities long-term obligations	65,060,454	272,345	631,948	64,700,851	3,542,140
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 620,000	\$ -	\$ -	\$ 620,000	\$ 140,000
Compensated absences	168,894	38,687	37,593	169,988	119,000
Other post employment benefits	31,860	-	-	31,860	-
Business-type activities long-term obligations	820,754	38,687	37,593	821,848	259,000
Total Primary Government	\$ 65,881,208	\$ 311,032	\$ 669,541	\$ 65,522,699	\$ 3,801,140

** For governmental activities, compensated absences and other post employment benefits are generally liquidated by the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Discretely Presented Component Unit:					
Bonds payable:					
Tax Increment Financing	\$ 203,270,190	\$ -	\$ 2,005,000	\$ 201,265,190	\$ 3,325,000
Less deferred amounts:					
For issuance discounts	(355,719)	-	(7,262)	(348,457)	(28,632)
Premiums	1,682,606	-	23,557	1,659,049	93,876
Total bonds payable	\$ 204,597,077	\$ -	\$ 2,021,295	\$ 202,575,782	\$ 3,390,244

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Revenue Bonds

Governmental activities

The City has pledged future tourism tax revenues, net of specified operating expenditures, to repay the bonds described below. The bonds are payable solely from tourism tax net revenues. Annual principal and interest remaining to be paid on the bonds is \$32,339,239. For the period ended October 1, 2009 through December 31, 2009, principal and interest paid was \$-0- and total tourism tax revenues for the period were \$3,114,989. Bond indentures require restricted accounts in order to accumulate necessary payment funding. Restricted investment reserves related to these bonds was \$6,123,112 at December 31, 2009.

The City has issued the following revenue bonds for the purpose of funding various City infrastructure projects:

	<u>Balance at December 31, 2009</u>
Limited Obligation bonds (State Revolving Fund Program) Series 1994A of \$3,500,000 issued August 1994; 4.25% to 6.05% interest payable semiannually, remaining principal payments due annually of \$217,000 to \$291,000. Final maturity July 1, 2014. Bonds maturing after July 1, 2006 and thereafter may be called on June 1, 2005 and every June 1 and December 1 thereafter at par.	\$ 1,299,000
Limited Obligation bonds (State Revolving Fund Program) Series 1995A of \$17,450,000 issued May 1995; 4.75% to 6.05% interest payable semiannually, remaining principal payments due annually of \$190,000 to \$2,350,000. Final maturity July 1, 2016. Bonds maturing after July 1, 2006 and thereafter may be called on July 1, 2005 and every July 1 thereafter at par.	12,315,000
Tourism Tax Revenue Bonds, Series 1998A of \$9,630,000 issued May 1998; 3.75% to 5.00% interest payable semiannually, remaining principal payments due annually of \$1,220,000 to \$1,305,000. Final maturity January 1, 2010. Bonds maturing in the years 2009 and thereafter may be called on January 1, 2008 and thereafter at par.	1,305,000
Tourism Tax Revenue Bonds, Series 1998B of \$17,435,000 issued May 1998; 3.75% to 5.00% interest payable semiannually, remaining principal payments due annually of \$730,000 to \$3,210,000. Final maturity January 1, 2018. Bonds maturing in the years 2009 and thereafter may be called during calendar 2008 at 101 and thereafter at par.	8,525,000
Tourism Tax Revenue Bonds, Series 2007 of \$1,840,000 issued March 2007; 4.45% interest payable semiannually. Principal amount due on January 1, 2019.	<u>1,840,000</u>
	<u><u>\$ 25,284,000</u></u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Business-type activities

Interest and principal payments on the Water and Sewer Fund Revenue Bonds are payable solely from water and sewer system revenues. Bond indentures require monthly cash transfers to restricted accounts in order to accumulate necessary payment funding. The bonds are secured by the City's waterworks and sewerage system. Restricted debt service reserves for this issue at December 31, 2009 totaled \$226,116.

Balance at
December 31, 2009

Combined Waterworks and Sewerage System Bonds of \$2,000,000 issued as part of Missouri State Environmental and Energy Resources Authority Water Pollution Control Revenue Bonds Series 1992A, issued August 1, 1992; 4.5% to 6.5% interest payable semiannually, remaining principal payments due annually of \$130,000 to \$ 170,000. Final maturity July 1, 2013. Bonds maturing June 1, 2008 and July 1, 2013 may be called every June 1 and December 1 after June 1, 2004 at par.

\$ 620,000

Special Limited Obligation Bonds

The City has the following special limited obligation bonds related to its governmental activities:

Balance at
December 31, 2009

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds) Series 2003A of \$56,290,000 issued January 2003; 2.5% to 5.5% interest payable semiannually, principal payments due annually ranging from \$1,070,000 to \$2,940,000 with final maturity on December 1, 2032. Bonds maturing on or after December 1, 2017 may be called on or after December 1, 2012 at par. City management has determined that a portion of the original amount of this obligation should be reported as follows: \$6,690,000 in the discretely presented Tax Increment Financing Commission and \$49,600,000 should be reported in this governmental activities section of long-term obligations.

\$ 38,805,000

The bonds were issued by the Missouri Development finance Board (MDFB) to refund certain bonds previously issued for the purposes of funding the City's Branson Landing redevelopment project and certain City facilities and infrastructure project costs. The City conveyed certain properties (including City Hall and a fire station) to the MDFB, and the MDFB leases those properties to the City. The City's lease payments are security for the required annual interest and principal payments on the bonds. Upon retirement of the bonds, the properties will revert to the City. Restricted investment reserves for the above special limited obligation bonds at December 31, 2009 were \$3,265,056.

As discussed above, City management has determined that a portion of the Series 2003A bonds related to the Branson Meadows tax increment financing plan be presented in the discretely presented Tax Increment Financing Commission. During the period ending December 31, 2009, the City contributed \$626,701 from the Debt Service Fund to the Tax Increment Financing Commission component unit to meet the debt service requirements related to Branson Meadows portion of the 2003A bonds.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

The MDFB 2004A and 2005B Branson Landing Tax Increment Financing Revenue Bonds contain certain pledged revenue and reserve fund priority provisions also known as the "Waterfall" provision. Under the Waterfall, as calculated prior to the next scheduled debt service requirements of the 2004A and 2005B bonds, should there be excess funds available after meeting the priority provisions, those excess funds can be used for debt service requirements of the 2003A bonds. During the period October 1, 2009 through December 31, 2009, waterfall amounts of \$157,592 were contributed to the City's Debt Service Fund from the Tax Increment Financing Commission to be used for the 2003A debt service requirements. Total waterfall amounts since inception is \$420,214.

Revenue and Special Limited Obligation bonds debt service requirements to maturity are as follows:

	Governmental activities					
	Revenue Bonds		Special Limited Obligation		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,462,000	\$ 1,345,009	\$ 465,000	\$ 2,061,979	\$ 2,927,000	\$ 3,406,988
2011	2,535,000	1,256,621	485,000	2,043,377	3,020,000	3,299,998
2012	2,608,000	1,109,036	505,000	2,038,009	3,113,000	3,147,045
2013	2,683,000	957,502	1,100,000	2,001,292	3,783,000	2,958,794
2014	2,756,000	798,636	1,160,000	1,946,292	3,916,000	2,744,928
2015-2019	12,240,000	1,588,435	6,715,000	8,797,696	18,955,000	10,386,131
2020-2024	-	-	8,695,000	6,823,090	8,695,000	6,823,090
2025-2029	-	-	11,305,000	4,217,282	11,305,000	4,217,282
2030-2032	-	-	8,375,000	937,474	8,375,000	937,474
	<u>\$ 25,284,000</u>	<u>\$ 7,055,239</u>	<u>\$ 38,805,000</u>	<u>\$ 30,866,491</u>	<u>\$ 64,089,000</u>	<u>\$ 37,921,730</u>

	Business-type Activities		Primary Government	
	Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2010	\$ 140,000	\$ 40,610	\$ 3,067,000	\$ 3,447,598
2011	150,000	31,440	3,170,000	3,331,438
2012	160,000	21,615	3,273,000	3,168,660
2013	170,000	11,135	3,953,000	2,969,929
2014	-	-	3,916,000	2,744,928
2015-2019	-	-	18,955,000	10,386,131
2020-2024	-	-	8,695,000	6,823,090
2025-2029	-	-	11,305,000	4,217,282
2030-2034	-	-	8,375,000	937,474
	<u>\$ 620,000</u>	<u>\$ 104,800</u>	<u>\$ 64,709,000</u>	<u>\$ 38,026,530</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Tax Increment Financing Revenue Bonds

The tax increment financing revenue bonds obligation indebtedness are recorded as a liability of the TIF Commission to match revenue streams to the related obligations for which they have been pledged. The obligation of the City and the Commission to pay principal and interest on these bonds is generally limited solely to the tax increment financing (TIF) revenues generated from each project.

Balance at
December 31, 2009

Branson Meadows TIF Plan

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds) Series 2003A of \$56,290,000 issued January 2003; 2.5% to 5.5% interest payable semiannually, principal payments due annually ranging from \$1,070,000 to \$2,940,000 with final maturity on December 1, 2032. Bonds maturing on or after December 1, 2017 may be called on or after December 1, 2012 at par. City management has determined that a portion of the original amount of this obligation should be reported as follows: \$6,690,000 in the discretely presented Tax Increment Financing Commission and \$49,600,000 should be reported in the governmental activities section of long-term obligations. The remaining annual principal installments related to tax increment financing activities are payable through 2012 and range from \$670,000 to \$775,000.

\$ 2,240,000

Branson Landing TIF Plan

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds - City of Branson, Missouri - Branson Landing Project) Series 2004A of \$ 40,000,000 issued June 2004; 2.8% to 5.625% interest payable semiannually, remaining principal payments due annually ranging from \$300,000 to \$3,095,000 with final maturity on December 1, 2028. Bonds maturing on or after December 1, 2014 may be called on or after June 1, 2014 at par. The bonds were issued by MDFB and the proceeds were made available to the City. The City's obligation to make payments is secured by an annual appropriation covenant, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.

38,120,000

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds - City of Branson, Missouri - Branson Landing Project) Series 2005A of \$80,000,000 issued September 2005; 3.75% to 6.0% interest payable semiannually, remaining principal payments due annually ranging from \$470,000 to \$6,930,000 with final maturity on June 1, 2035. Bonds maturing on or after June 1, 2035 may be called on or after June 1, 2015 at par. The bonds were issued by the Missouri Development Finance Board and the proceeds were made available to the City. The City's obligation to make payments is secured by an annual appropriation covenant, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.

79,530,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds- Branson Landing Retail Project) Series 2005A of \$18,560,000 issued August 2005; 5.25% to 5.50% interest payable semiannually, remaining principal payments due annually ranging from \$235,000 to \$1,760,000 with final maturity on June 1, 2029.

18,070,000

135,720,000

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Balance at
December 31, 2009

Branson Hills and Shoppes TIF Plan

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds- Branson Hills Redevelopment Project) Series 2005A of \$14,760,000 issued March 2005; 6.25% to 7.05% interest payable semiannually, remaining principal payments due annually ranging from \$175,000 to \$2,955,000 with final maturity on May 1, 2027. 14,465,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Hills Redevelopment Project) Series 2005B, not to exceed \$1,900,000 issued March 2005; 10% interest, principal payment due with final maturity on May 1, 2027. These bonds are subordinate to the Series 2005A Bonds. 1,899,338

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Hills Redevelopment Project) Series 2007A of \$3,385,000 issued April 2007; 5.75% interest payable semiannually, principal due at final maturity on May 1, 2026 3,385,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2006A of \$35,545,000 issued November 2006; 5.90% to 5.95% interest payable semiannually, remaining principal payments due annually ranging from \$110,000 to \$5,780,000 with final maturity on November 1, 2029. 35,435,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2006B, not to exceed \$9,385,045 issued November 2006; 10% interest, principal payment due with final maturity on November 1, 2029. These bonds are subordinate to the Series 2006A Bonds. 8,120,852

63,305,190

Total tax increment financing revenue bonds

\$ 201,265,190

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Tax Increment Financing bond debt service requirements to maturity are as follows:

Tax Increment Financing Bonds						
	Branson Meadows			Branson Landing		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 720,000	\$ 93,415	\$ 813,415	\$ 1,870,000	\$ 7,001,592	\$ 8,871,592
2011	745,000	64,615	809,615	2,240,000	6,916,266	9,156,266
2012	775,000	18,325	793,325	2,240,000	6,819,427	9,059,427
2013	-	-	-	2,515,000	6,715,681	9,230,681
2014	-	-	-	2,810,000	6,586,613	9,396,613
2015-2019	-	-	-	19,365,000	30,156,952	49,521,952
2020-2024	-	-	-	29,745,000	24,606,419	54,351,419
2025-2029	-	-	-	39,580,000	14,333,722	53,913,722
2030-2034	-	-	-	28,425,000	5,472,625	33,897,625
2035	-	-	-	6,930,000	173,250	7,103,250
	<u>\$ 2,240,000</u>	<u>\$ 176,355</u>	<u>\$ 2,416,355</u>	<u>\$ 135,720,000</u>	<u>\$ 108,782,547</u>	<u>\$ 244,502,547</u>

	Branson Hills and Shoppes			Total		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 735,000	\$ 3,299,783	\$ 4,034,783	\$ 3,325,000	\$ 10,394,790	\$ 13,719,790
2011	840,000	3,253,282	4,093,282	3,825,000	10,234,163	14,059,163
2012	975,000	3,199,817	4,174,817	3,990,000	10,037,569	14,027,569
2013	1,100,000	3,137,583	4,237,583	3,615,000	9,853,264	13,468,264
2014	1,245,000	3,065,857	4,310,857	4,055,000	9,652,470	13,707,470
2015-2019	8,795,000	13,885,874	22,680,874	28,160,000	44,042,826	72,202,826
2020-2024	14,255,000	10,325,782	24,580,782	44,000,000	34,932,201	78,932,201
2025-2029	35,360,190	4,367,420	39,727,610	74,940,190	18,701,142	93,641,332
2030-2034	-	-	-	28,425,000	5,472,625	33,897,625
2035	-	-	-	6,930,000	173,250	7,103,250
	<u>\$ 63,305,190</u>	<u>\$ 44,535,398</u>	<u>\$ 107,840,588</u>	<u>\$ 201,265,190</u>	<u>\$ 153,494,300</u>	<u>\$ 354,759,490</u>

Tax Increment Financing Revenues

The City, other taxing districts and governmental entities have pledged a portion of future incremental property tax and sales tax revenues (TIF revenues) to repay the tax increment financing revenue bonds described above. TIF revenues, along with other funding sources for each issuance, were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Annual principal and interest payments remaining on these bonds total approximately \$354.8 million. Should TIF revenues along with any other funding sources described not be sufficient to meet the required debt service obligations, the City is not legally obligated to make such bond payments from any other sources of its revenues. However, the Branson Landing TIF Plan's \$40,000,000 Series 2004A and \$80,000,000 Series 2005A bonds contain an annual appropriation covenant obligating the City to make debt service payments from all legally available moneys of the City to the extent the City has appropriated and included such payments in its annual budget. Annual principal and interest payments remaining on the Series 2004A and 2005B bonds total approximately \$215.3 million. Incremental taxes are pledged to make payments on these obligations for a period not to exceed 23 years.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

For the current period, principal and interest paid on tax increment financing bonds totaled approximately \$7.3 million. Incremental revenues from the City totaled approximately \$1.0 million. The remaining funds necessary to meet the current period debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities totaling \$2.1 million and from prior incremental revenues held in debt service funds by the bond trustees.

Bond Indebtedness Limitation

Under the Missouri Constitution, the limit of general obligation bonded indebtedness is 10% of the most recent assessed valuation. The legal debt margin (constitutional debt limit – 2008 valuation) of the City at December 31, 2009 was approximately \$45,000,000. The City has no outstanding general obligation bonded debt at December 31, 2009.

8 - Defined Benefit Pension Plan

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo. 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

Funding Status

The City's full-time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 11.3% (general), 8.8% (police), and 12.0% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost

For the plan year ended 2009, the City's annual pension cost of \$1,214,728 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back zero years for men and women and (e) post-retirement mortality based on the 1971 group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 was 15 years.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Fiscal Year Ending	Pension Cost (APC)	of APC Contributed	Pension Obligation
6/30/2007	\$ 1,130,774	100%	\$ -
6/30/2008	1,160,963	100%	-
6/30/2009	1,214,728	100%	-

Funded Status and Funding Progress

As of February 28, 2009, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$18,373,176. The actuarial value of assets was \$12,521,486, which results in an unfunded actuarial accrued liability (UAAL) of \$5,851,690 and a funded ratio of 68 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$8,507,895, which results in a ratio of the UAAL to the covered payroll of 69 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

9 - Post Employment Health Benefits

Plan Description

The City provides for a continuation of medical, prescription drug, hearing, vision, and dental insurance benefits to employees that retire from City employment and who participate in the Missouri Local Government Employees Retirement System (LAGERS).

The City requires the retirees to pay 100% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45). Retirees and spouses have the same benefits as active employees, and they are not required to terminate participation upon Medicare eligibility.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years. The following table shows the components of the City's annual OPEB cost for the year ended September 30, 2009 and the three month period ending December 31, 2009, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

	Governmental Activities	Business- Type Activities	Total Primary Government
Annual required contribution	\$ 105,193	\$ 38,907	\$ 144,100
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost (expense)	105,193	38,907	144,100
Less: Net employer contributions	19,053	7,047	26,100
Increase in net OPEB obligation	86,140	31,860	118,000
Net OPEB obligation - October 1, 2008	-	-	-
Net OPEB obligation - December 31, 2009	<u>\$ 86,140</u>	<u>\$ 31,860</u>	<u>\$ 118,000</u>

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2009 and the three month period ending December 31, 2009 is as follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Governmental Activities:			
12/31/2009	\$ 105,193	18.1%	\$ 86,140
Business-Type Activities:			
12/31/2009	\$ 38,907	18.1%	\$ 31,860

Funded Status and Funding Progress

As of September 30, 2009, which represents both the initial and the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$1,082,100. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$8,507,895, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 12.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

The projected unit credit actuarial cost method is used in the September 30, 2009, initial actuarial valuation. At this initial valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the initial plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 4.0 percent investment rate of return. The actuarial assumptions for the healthcare cost inflation rate is an initial growth factor of 7.9 and 5.0 percent for medical and dental coverage, respectively, with both declining to an ultimate inflation rate of 4.4% for both. The UAAL will be amortized over a period of 30 years using a level percentage of projected payroll on an open basis.

10 - Risk Management

The City is exposed to various risks of loss from torts' theft of, damage to or destruction of assets; errors and omissions; business interruption; employee injuries; and natural disasters. These risks are covered by the City's participation in the Missouri Intergovernmental Risk Management Association (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for its members. The City pays an annual premium to the Pool for its property, liability, workers' compensation, auto and crime insurance coverage's. The Pool's governing agreement specifies that the Pool itself will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop loss amounts. Settlements have not exceeded insurance coverage for each of the last three years. There have been no reductions in insurance converge from the prior year. Commercial insurance coverage is purchased for claims arising from employee health matters.

11 - Commitments and Contingencies

Branson Landing Master Lease

The City as landlord has entered into Branson Landing lease with HCW Development Company, LLC as the tenant. The lease requires the City to pay 50% or up to \$310,000 of the annual actual costs associated with the maintenance, upkeep and operations of the Main Fountain and the Town Square Fountain. The City will pay for the actual On-Site Public Improvements expense excluding those associated with the fountains listed above, up to \$115,000 per calendar year. Beginning in the calendar year of the fifth anniversary of the lease commencement date and for each year thereafter the maximum fountain and maintenance contribution shall be recalculated by multiplying the maximum contributions by a fraction, the numerator being the Consumer Price Index (CPI) for the month of January for the current year, and the denominator being the CPI for the month of January for the prior year. For the period ended December 31, 2009, the City paid \$74,029 under this lease agreement.

Capital Projects

Normal commitments have been made for future expenditures related to the City's capital projects program.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

Convention Center Operating Agreement

The City has entered into convention center management agreement with Hilton Hotels Corporation in connection with the City's Convention Center. The agreement requires a fixed monthly management fee that may increase annually by the lower of 3% or the increase in the Consumer Price Index (CPI). Subject to certain agreement clauses, the term of the agreement is for 15 years from the opening of the Convention Center and includes options for renewal for two 5 year periods. For the period ended December 31, 2009, the City paid \$45,000 under this management agreement.

Airport Performance Agreement

The City has entered into an airport performance agreement with a private developer. Under the agreement, the City will pay the developer a per passenger arrival fee on a quarterly basis. The fee will not exceed \$500,000 in any of the first three quarters and will not exceed \$2,000,000 on an annual basis. Estimated fees payable to the developer totaled approximately \$248,000 at December 31, 2009.

Litigation

Real Property Issues

City Owned Property

On January 14, 2010, a judgment was issued by Taney County Circuit Court Case No. 03CV787034 regarding the rights to the title of certain real property located in Branson, Missouri. Although the City was not a party to the case at the time the judgment was issued, the legal description of the land contained in the judgment includes certain real property owned by the City. Accordingly, the ownership of certain real property of the City is in question.

The City is analyzing the impact of the January 14, 2010 judgment and intends to vigorously defend its title to its property included in the judgment and similarly vigorously oppose any other party's efforts to contest the City's title to its property. The eventual outcome of the case cannot be determined at this time. The City believes that it will retain ownership of the land. If it is determined that the City does not own the land, the City's management believes that any loss in excess of applicable insurance will not have a material impact on the City's financial position or operations.

General

The City is a defendant in other various lawsuits relating to easements, condemnations and other matters which are considered normal to the City's operations. At December 31, 2009, it was the opinion of the City's management that the outcome of the litigation would not result in a material loss to the City in excess of applicable insurance coverage.

Branson Meadows TIF Plan

The Developer associated with the Branson Meadows TIF Plan contributed approximately \$3.9 million to the project which qualifies under the plan as a reimbursable project cost. Any potential reimbursements to the Developer from available TIF revenues are subordinate to the related bond debt service requirements and any cumulative shortfalls covered by the City. The City does not believe that there will be sufficient revenues generated by the TIF Plan to retire this obligation. Accordingly, the City has not recorded an obligation.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Period October 1, 2009 Through December 31, 2009

12 - Interfund Activity

Interfund transfers for the period ended December 31, 2009, consisted of the following:

<u>Transfers to</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Transportation Sales Tax</u>	<u>Total</u>
Governmental :			
Convention Center	\$ 307,072	\$ -	\$ 307,072
Debt Service	417,500	305,250	722,750
Total	<u>\$ 724,572</u>	<u>\$ 305,250</u>	<u>\$ 1,029,822</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund finance various programs accounted for in other funds in accordance with budgetary authorizations.

13 - Subsequent Events

The City has evaluated subsequent events through August 25, 2010, the date the financial statements were available to be issued.

Subsequent to year end, the City issued \$7,995,000 City of Branson, Missouri Tourism Tax Revenue Refunding Bonds, Series 2010A to refund the City's Series 1998B Tourism Tax Revenue Bonds and \$7,540,000 City of Branson, Missouri Tourism Tax Revenue Bonds, Series 2010B to fund certain water and sewer improvement projects.

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Period October 1, 2009 through December 31, 2009

	Original and Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Taxes	\$ 2,787,205	\$ 1,861,596	\$ (925,609)
Licenses and permits:	46,600	47,456	856
City court fines	153,300	216,739	63,439
Lease and rent	178,400	252,512	74,112
Charges for services	224,800	209,100	(15,700)
Intergovernmental	-	4,230	4,230
Interest Income	8,300	3,210	(5,090)
Miscellaneous	-	293,440	293,440
Total revenues	<u>3,398,605</u>	<u>2,888,283</u>	<u>(510,322)</u>
Expenditures:			
General government:			
Mayor and board	15,835	9,161	6,674
City Administration	114,372	117,414	(3,042)
Human Resources	67,062	72,152	(5,090)
Administrative Services	366,532	525,794	(159,262)
Finance	204,907	227,334	(22,427)
Legal	125,324	217,292	(91,968)
Total general government	<u>894,032</u>	<u>1,169,147</u>	<u>(275,115)</u>
Public safety:			
Police	898,288	894,232	4,056
Fire	692,289	587,091	105,198
Total public safety	<u>1,590,577</u>	<u>1,481,323</u>	<u>109,254</u>
Public works	300,341	243,410	56,931
Engineering	159,855	154,987	4,868
Community Development	211,692	163,822	47,870
Total expenditures	<u>3,156,497</u>	<u>3,212,689</u>	<u>(56,192)</u>
Excess of revenues over (under) expenditures	242,108	(324,406)	(566,514)
Other Financing Sources (Uses):			
Transfers out	(1,314,500)	(724,572)	589,928
Total other financing sources (uses)	<u>(1,314,500)</u>	<u>(724,572)</u>	<u>589,928</u>
Change in fund balances	<u>\$ (1,072,392)</u>	<u>(1,048,978)</u>	<u>\$ 23,414</u>
Fund balance, beginning of period		<u>8,232,709</u>	
Fund balance - end of period - budget basis		7,183,731	
Adjustments:			
Encumbrances		303,696	
Fund balance - end of period - GAAP basis		<u>\$ 7,487,427</u>	
Net change in fund balance - budget basis		\$ (1,048,978)	
Adjustments:			
Encumbrances - beginning of period		(118,542)	
Encumbrances - end of period		303,696	
Net change in fund balance - GAAP basis		<u>\$ (863,824)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tourism Tax Fund
For the Period October 1, 2009 through December 31, 2009

	Original and Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Taxes	\$ 3,507,500	\$ 3,114,989	\$ (392,511)
Interest Income	23,000	12,427	(10,573)
Total revenues	<u>3,530,500</u>	<u>3,127,416</u>	<u>(403,084)</u>
Expenditures:			
Tourism	710,000	566,875	143,125
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	1,940	(1,940)
Total expenditures	<u>710,000</u>	<u>568,815</u>	<u>141,185</u>
Excess of revenues over (under) expenditures	2,820,500	2,558,601	(261,899)
Other financing sources (uses)			
Transfers out	(325,600)	-	325,600
Total other financing sources (uses)	<u>(325,600)</u>	<u>-</u>	<u>325,600</u>
Change in fund balances	<u>\$ 2,494,900</u>	<u>2,558,601</u>	<u>\$ 63,701</u>
Fund balance, beginning of period		<u>10,995,036</u>	
Fund balance - end of period - budget basis		13,553,637	
Adjustments:			
Encumbrances		59,664	
Fund balance - end of period - GAAP basis		<u>\$ 13,613,301</u>	
Net change in fund balance - budget basis		\$ 2,558,601	
Adjustments:			
Encumbrances - beginning of period		-	
Encumbrances - end of period		59,664	
Net change in fund balance - GAAP basis		<u>\$ 2,618,265</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Transportation Sales Tax Fund
For the Period October 1, 2009 through December 31, 2009

	Original and Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Taxes	\$ 1,255,000	\$ 908,279	\$ (346,721)
Total revenues	1,255,000	908,279	(346,721)
Expenditures:			
Public works	499,711	330,408	169,303
Total expenditures	499,711	330,408	169,303
Excess of revenues over expenditures	755,289	577,871	(177,418)
Other financing sources (uses):			
Transfers out	(556,250)	(305,250)	251,000
Total other financing sources (uses)	(556,250)	(305,250)	251,000
Change in fund balances	<u>\$ 199,039</u>	272,621	<u>\$ 73,582</u>
Fund balance, beginning of period		<u>547,099</u>	
Fund balance - end of period - budget basis		819,720	
Adjustments:			
Encumbrances		8,807	
Fund balance - end of period - GAAP basis		<u>\$ 828,527</u>	
Net change in fund balance - budget basis		\$ 272,621	
Adjustments:			
Encumbrances - beginning of period		(32,975)	
Encumbrances - end of period		8,807	
Net change in fund balance - GAAP basis		<u>\$ 248,453</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Convention Center Fund
For the Period October 1, 2009 through December 31, 2009

	Original and Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Charges for services	\$ 1,259,378	\$ 1,063,837	\$ (195,541)
Total revenues	<u>1,259,378</u>	<u>1,063,837</u>	<u>(195,541)</u>
Expenditures:			
Convention Center Operations	1,489,314	1,346,849	142,465
Total expenditures	<u>1,489,314</u>	<u>1,346,849</u>	<u>142,465</u>
Excess of revenues over expenditures	(229,936)	(283,012)	(53,076)
Other financing sources (uses):			
Transfers in	487,000	307,072	(179,928)
Total other financing sources (uses)	<u>487,000</u>	<u>307,072</u>	<u>(179,928)</u>
Change in fund balances	<u>\$ 257,064</u>	24,060	<u>\$ (233,004)</u>
Fund balance, beginning of period		<u>482,616</u>	
Fund balance, end of period		<u>\$ 506,676</u>	

**City of Branson, Missouri
Historical Trend Information
Schedules of Funding Progress
December 31, 2009**

Missouri LAGERS Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2/28/2007	\$ 13,010,515	\$ 13,862,056	\$ 851,541	94%	\$ 7,870,458	11%
2/29/2008	14,091,461	14,432,315	340,854	98%	8,239,463	4%
2/28/2009	12,521,486	18,373,176	5,851,690	68%	8,507,895	69%

Note: The above information is as of September 30, 2009. Also, the above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations please contact the LAGERS office in Jefferson City, Missouri.

Other Post Employment Benefits Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Projected Unit Credit Cost Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/30/2009	\$ -	\$ 1,082,100	\$ 1,082,100	0%	\$ 8,507,895	13%

CITY OF BRANSON, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2009

	Special Revenue	Capital Projects	Permanent	
		Capital Projects Planning	Perpetual Care	Total Nonmajor Governmental Funds
Assets	Recreation			
Cash and cash equivalents	\$ 462,870	\$ 32,934	\$ 4,210	\$ 500,014
Total assets	<u>\$ 462,870</u>	<u>\$ 32,934</u>	<u>\$ 4,210</u>	<u>\$ 500,014</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 23,844	\$ -	\$ -	\$ 23,844
Accrued expenditures	17,599	-	-	17,599
Total liabilities	<u>41,443</u>	<u>-</u>	<u>-</u>	<u>41,443</u>
Fund Balances:				
Reserved for:				
Encumbrances	15,381	-	-	15,381
Other purposes	-	-	4,210	4,210
Unreserved:				
Special revenue fund	406,046	-	-	406,046
Capital projects fund	-	32,934	-	32,934
Total fund balances	<u>421,427</u>	<u>32,934</u>	<u>4,210</u>	<u>458,571</u>
Total liabilities and fund balance	<u>\$ 462,870</u>	<u>\$ 32,934</u>	<u>\$ 4,210</u>	<u>\$ 500,014</u>

CITY OF BRANSON, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the Period October 1, 2009 through December 31, 2009

	Special Revenue	Capital Projects	Permanent	
	Recreation	Capital Projects Planning	Perpetual Care	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 22,941	\$ -	\$ -	\$ 22,941
Charges for services	230,843	-	-	230,843
Miscellaneous	6,252	-	-	6,252
Total revenues	<u>260,036</u>	<u>-</u>	<u>-</u>	<u>260,036</u>
Expenditures:				
Culture and recreation	329,770	-	-	329,770
Total expenditures	<u>329,770</u>	<u>-</u>	<u>-</u>	<u>329,770</u>
Excess of revenues over (under) expenditures	<u>(69,734)</u>	<u>-</u>	<u>-</u>	<u>(69,734)</u>
Fund balances - beginning of period	<u>491,161</u>	<u>32,934</u>	<u>4,210</u>	<u>528,305</u>
Fund balances - end of period	<u><u>\$ 421,427</u></u>	<u><u>\$ 32,934</u></u>	<u><u>\$ 4,210</u></u>	<u><u>\$ 458,571</u></u>

City of Branson, Missouri
Combining Balance Sheet - Discretely Presented Component Unit
Tax Increment Financing Commission
December 31, 2009

	Branson Meadows	Branson Landing	Branson Hills	Total
Assets				
Cash and cash equivalents	\$ -	\$ 832,939	\$ 333,249	\$ 1,166,188
Receivables:				
Intergovernmental	45,538	826,994	610,849	1,483,381
Due from primary government	30,822	362,678	247,607	641,107
Restricted cash and equivalents	388,055	14,767,504	7,313,393	22,468,952
Total Assets	<u>\$ 464,415</u>	<u>\$ 16,790,115</u>	<u>\$ 8,505,098</u>	<u>\$ 25,759,628</u>
Liabilities and Fund Balances				
Liabilities:				
Deferred revenue	\$ -	\$ 252,999	\$ -	\$ 252,999
Total liabilities	<u>-</u>	<u>252,999</u>	<u>-</u>	<u>252,999</u>
Fund balances:				
Reserved for capital projects	-	901,372	11,189	912,561
Reserved for debt service	464,415	15,635,744	8,493,909	24,594,068
Total fund balances	<u>464,415</u>	<u>16,537,116</u>	<u>8,505,098</u>	<u>25,506,629</u>
Total liabilities and fund balances	<u>\$ 464,415</u>	<u>\$ 16,790,115</u>	<u>\$ 8,505,098</u>	<u>\$ 25,759,628</u>

Amounts reported in the government-wide statements are different because:

Fund balances	\$ 25,506,629
---------------	---------------

The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction has any effect on net assets. The Commission's governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Long-term debt	(202,575,782)
Bond issuance costs, net	3,792,178
Accrued interest payable	<u>(1,143,372)</u>
Net assets (deficit) of component unit	<u>\$ (174,420,347)</u>

City of Branson, Missouri
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Discretely Presented Component Unit - Tax Increment Financing Commission
For the Period October 1, 2009 through December 31, 2009

	Branson Meadows	Branson Landing	Branson Hills	Total
Revenues:				
Taxes	\$ 45,538	\$ 672,984	\$ 318,797	\$ 1,037,319
Intergovernmental activity taxes	45,538	1,280,889	724,631	2,051,058
Contributions from City	626,701	-	-	626,701
Interest	8,731	177,862	206	186,799
Total Revenues	<u>726,508</u>	<u>2,131,735</u>	<u>1,043,634</u>	<u>3,901,877</u>
Expenditures:				
Current:				
General government	-	3,270	-	3,270
Community development -				
Contributions to City	-	157,592	-	157,592
Debt service:				
Principal	690,000	1,205,000	110,000	2,005,000
Interest	59,473	3,542,935	1,680,866	5,283,274
Total expenditures	<u>749,473</u>	<u>4,908,797</u>	<u>1,790,866</u>	<u>7,449,136</u>
Excess of revenues over (under) expenditures	(22,965)	(2,777,062)	(747,232)	(3,547,259)
Fund balances - beginning of period	<u>487,380</u>	<u>19,314,178</u>	<u>9,252,330</u>	<u>29,053,888</u>
Fund balances - end of period	<u>\$ 464,415</u>	<u>\$ 16,537,116</u>	<u>\$ 8,505,098</u>	<u>\$ 25,506,629</u>

Amounts reported in the government-wide statements are different because:

Change in fund balances	\$ (3,547,259)
-------------------------	----------------

The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources of the Commission's governmental funds. Neither transaction has any effect on net assets. Also, the Commission's governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	2,005,000
Change in accrued interest payable	2,596,969
Change in bond issuance costs, net	(45,830)
Change in bond premiums and discounts, net	<u>16,295</u>
Change in net assets of discretely presented component unit	<u>\$ 1,025,175</u>